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## WORLD COFFEE SITUATION

### SUMMARY AND OUTLOOK

The first USDA estimate of the 1982/83 world coffee crop <sup>1/</sup> is 80.8 million bags (60 kilograms each), down 19 percent from the revised estimate of 96.4 million for 1981/82. The drop exceeds sharply reduced Brazilian prospects due to the 1981 frost by only a small margin, indicating changes in output for all other producing countries were largely offsetting.

Exportable production, which represents total harvested production less domestic consumption in producing countries, is estimated at 59.6 million bags, or 20.5 percent less than the estimate of 75.0 million for 1981/82.

Coffee-producing countries will consume about 21.2 million bags of their own production in 1982/83, down about 1 percent from 1981/82. On a per capita basis, consumption in these countries amounts to about 0.8 kilograms per person per year. Per capita consumption is highest in South America (about 3.5 kilograms) and lowest in Asia (less than 0.2 kilograms).

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<sup>1/</sup> In some countries, the coffee marketing year begins in October; in others, April or July.

World coffee exports, including the green bean equivalent of roasted/ground and soluble, should total about 63.4 million bags during crop year 1982/83. At this level, exports would be 0.5 million bags, or 0.7 percent above the 62.9 million estimated for 1981/82.

Exporting members of the International Coffee Organization (ICO) account for over 99 percent of total world exports. Shipments by exporting members to importing members will take 85 to 90 percent of the export total with the balance going to non-members. Some of the sales to non-members are heavily discounted, while others occur under bilateral trade agreements with Soviet Bloc countries.

Brazil will export about 17.0 million bags during 1982/83, continuing to be the world's largest supplier with 26.8 percent of the world total. Colombia will be second with 9.4 million bags, or 14.8 percent of the total. Other leading suppliers with exports of 2.0 million bags or more during the year will include the Ivory Coast, Uganda, Indonesia, El Salvador and Guatemala.

With one brief exception, market prices have remained within the ICO's preferred price range of \$1.20-\$1.40 per pound based on the 15-day moving average of the Composite Indicator Price from October 1981 through June 1982.

Prices may be held down during the fourth quarter of the coffee marketing year by the increased availability of coffee from substantial undershipment of ICO members during the first three-quarters of the current year and by stagnant world consumption.

Green coffee exports to ICO member countries were down by more than 1 million bags between calendar 1980 and 1981 and have apparently fallen off somewhat more during 1982. Reduced exports at depressed market prices have a sharp impact on the growers as well as on the balance of payments position of some exporters.

World coffee stocks have increased dramatically since 1979/80 because of the rapid growth in output--the result of large-scale plantings during the period of high prices of the late 1970's--and the imposition of coffee export quotas by the ICO on October 1, 1980. Carryover stocks at the beginning of the 1982/83 season will represent 45 to 50 percent of world consumption requirements. Producing countries hold the bulk of world stocks. High carryover stocks put a financial burden on many coffee growers and producing countries as well as a physical burden on those lacking adequate storage space. In some countries, stock levels have been kept down by the country's ability to market coffee in the Middle East and Soviet Bloc countries, which are not members of the ICO.

At the end of 1982/83, crop year stocks are expected to exceed 41.7 million bags, or 51.6 percent of the year's production, up from 32.0 million bags, or 37.4 percent of production, in 1980/81. Average carryover stocks at the end of 1982/83 are expected to be highest in Africa (66.4 percent of production) and lowest in North and Central America and the Caribbean (32.4 percent). Major producers where year-end stocks will probably exceed 50 percent of production include Uganda, 59.0 percent; Kenya, 58.2 percent; Ivory Coast, 80.2 percent; Madagascar, 58.5 percent; Ecuador, 55.0 percent; Cameroon, 80.1 percent; Colombia, 86.2 percent; Tanzania, 59.6 percent; and Zaire, 62.2 percent. Year-end 1982/83 stock levels, on the other hand, will probably fall below 30 percent in the following: India, 28.9 percent; Nicaragua, 21.6 percent; Costa Rica, 27.1 percent; the Dominican Republic, 29.5 percent; Venezuela, 10.4 percent; and Haiti, 5.4 percent.

#### International Coffee Organization (ICO)

The thirty-seventh session of the International Coffee Council meeting, originally scheduled for June 14-25, 1982, was extended until early July. The meeting was convened mainly to continue discussing proposals for modification of the current agreement begun in earlier meetings. When participating members still could not agree, the meeting was suspended until September. The major points still to be decided concern coffee export quotas and the quota system as well as the introduction of selectivity into the system of indicator prices.

On May 25, the 15-day average of the ICO composite daily indicator price 1979 fell below \$1.20 per pound at \$1.1995, triggering a 1 million-bag reduction in the third quarter (April/June) 1981/82 coffee export quotas to 13.2 million. The reduction was distributed pro rata to the annual quotas of exporting members entitled to a basic quota after taking into consideration exemptions from such downward adjustments given to Angola, Brazil and the Dominican Republic. The revised annual quota for the year was 55.7 million bags, including 2.8 million to members exempt from a basic quota. At the ICO talks in London during June, it was decided that coffee export quota stamps equal 2 million bags of coffee for shipment during the July-September quarter will be withheld from distribution against the prospect of further quota cuts should the daily indicator price again fall below \$1.20 per pound.

While negotiations in London centered around development of a new International Coffee Agreement to cover a multi-year period beyond October 1, 1983, the U.S. Congress has not yet held hearings on legislation to extend U.S. participation in the Agreement through coffee year 1982/83, ending September 30, 1983. Committee hearings on House and Senate versions of the bill are expected in July.

At the ICO's May 4-14, 1982 meeting, the executive board decided to limit member country coffee imports from non-members to 533,296 bags during coffee year 1982/83. The U.S. quota was set at 109,150 bags.

U.S. IMPORTS AND CONSUMPTION

U.S. imports of green coffee during October-May 1981/82 totaled 11.2 million bags, or 7.8 percent less than during the first 8 months of the 1980/81 coffee year. The value of green coffee imports during the corresponding 8-month periods of 1981/82 and 1980/81 were \$1.7 billion and \$2.1 billion, respectively.

Brazil and Colombia are the largest suppliers of green coffee to the United States. U.S. import volumes from the 10 largest suppliers for October 1981/May 1982 compared with that for the same period during 1980/81, are as follows:

	October 1980/May 1981	October 1981/May 1982
	(In thousands of 60 kg bags)	
Brazil	2,555	2,108
Colombia	1,543	1,073
Indonesia	945	899
Mexico	811	947
Uganda	283	757
El Salvador	915	602
Ivory Coast	313	554
Ecuador	459	443
Guatemala	593	435
Peru	426	373
Other	3,294	3,002
World	12,137	11,193

During 1981, U.S. green coffee imports declined in value from \$1.35 per pound in January to \$1.07 in November, averaging \$1.19 per pound for the year.

According to the U.S. Department of Commerce, U.S. roastings of green coffee during the first 5 months of calendar 1982 were 7.115 million bags, down nearly 7 percent from the 7.645 million roasted during January-May 1981.

Coffee consumption in the United States, the world's largest market, continues to decline, with per capita use at 9.5 pounds per year in 1981, only 0.1 pound above the low level registered in 1977, when coffee prices were unusually high.

A major reason for the long-run decline in U.S. consumption is that coffee is no longer the preferred beverage among younger consumers. Should this trend continue, coffee imports could decline even more in the future.

## PRODUCTION AND TRADE

### North America, Central America and the Caribbean

The 1982/83 coffee crop for this region is forecast at 15.5 million bags, 3.4 percent larger than the 1981/82 outturn. Exportable production is estimated at 11.6 million bags, compared with 11.3 million for 1981/82. Harvests in Costa Rica, the Dominican Republic and Nicaragua will be up significantly, more than offsetting the smaller crops foreseen for Guatemala and Haiti. The initial estimates for two of the area's largest producers--El Salvador and Mexico--are virtually unchanged from the preceding year.

Costa Rica's 1982/83 coffee harvest is estimated at a record 2.2 million bags, up from the 1.875 million bags in 1981/82, because of the expected normal up year in the production cycle, coupled with beginning output from an expanded area planted several years ago and the expectation of continued good weather.

Costa Rica's Coffee Program Office has undertaken efforts to improve crop quality. The office is also conducting trials with rust-resistant varieties in case rust becomes a problem for the country.

Coffee is Costa Rica's most important export commodity. Export allocations are set annually at about 85 percent of total production. For the October/September 1981/82 marketing year, exports are forecast at 1.66 million bags, including 1.26 million bags to member countries of the ICO and 400,000 bags to non-members, mainly Romania, Czechoslovakia and East Germany. This compares with total 1980/81 exports of 1.565 million bags.

Based on October 1981-April 15, 1982, sales, the average value for green coffee exports was \$1.12 per pound. As of the same date, 66,933 bags had been sold at auction for domestic consumption at an average of only 37 cents per pound.

Coffee production in El Salvador is expected to increase slightly from the current 2.38 million bag estimate for 1981/82 (October/September) to about 2.40 million in 1982/83. However, the better-than-expected 1981/82 crop estimate could be raised by as much as 70,000 bags depending on the level of stocks remaining in the hands of producers awaiting transport to coffee mills.

Flowering for the 1982/83 crop has been good, but development and output will depend on the level of fertilizer usage, the effectiveness of rust control programs, expectations regarding land reform and the extent of guerilla interference with production and marketing activities.

A major factor limiting the effectiveness of the rust control program is the scarcity of water in sufficient quantities in many growing areas.

Fertilizer supplies may depend on whether the Salvadoran Coffee Institute (INCAFE) is willing to sell its fertilizer stocks at below cost. Given the outcome of El Salvador's March 28 elections, it is much less likely that Phase II of the land reform program involving land holdings in the 100-500 hectare range, which produce most of the coffee, will be affected.

Domestic coffee consumption levels in El Salvador are believed to have stagnated at about the 200,000-bag level since 1979/80 because of falling incomes and the exodus of many Salvadorans from the country.

Exports during 1981/82 are now expected to total only about 2.25 million bags, down somewhat from previous expectations because of ICO quota cuts. The export figure includes about 25,000 bags of non-quota coffee shipped to Romania in exchange for 200 buses.

Guatemala's 1982/83 (October/September) crop is estimated at 2.6 million bags, 100,000 bags less than the revised estimate for 1981/82. Yearly production appears to have established itself at around the 2.7 million-bag level based on the maturation of 1976 and 1977 plantings and improved cultural practices. Producers appear determined to harvest their coffee in guerrilla-infested areas despite the obvious difficulties.

Despite government and producer efforts at containment, the area infected by coffee rust (roya) continues to spread, although at a slow rate. Rust has been detected on nearly 90 percent of the Pacific slope plantations, but only 14,000 hectares of the 230,000 hectares located there are under quarantine. With an operating budget of \$2 million, including \$1 million from the Government of Mexico, the Roya Commission is providing technical assistance to growers. A \$150 million loan has been requested from the Central American Economic Integration Bank for the purchase of fungicides and equipment by the small producers. The Commission's program is now directed towards coexistence with roya, rather than eradication.

Total Guatemalan coffee exports in 1981/82, based on shipments through March, are expected to be nearly 2.2 million bags. According to the Coffee Exporters Association, 234,764 bags of the 1,049,142 bags exported during the first half of the crop year were sold to non-ICO members. By April 30, 1982, non-member sales had reached 265,852 bags, just 50,000 bags below the 316,000-bag goal set at the beginning of the crop year. The average price for non-member sales for the crop year to date--at \$0.78 per pound--is substantially lower than ICO member sales at \$1.27 per pound.

In early March, the Guatemalan Congress approved the following tax schedule for coffee exports destined to non-members:

<u>FOB Price Per 46 Kilograms</u>	<u>Tax</u>
Up to \$110.00	None
\$110.00 to \$115.00	25% on excess over \$110.00
\$115.01 to \$120.00	30% on excess over \$115.00
\$120.01 to \$125.00	35% on excess over \$120.00
Above \$125.01	45% on excess over \$125.00

Initial flowering for the 1982/83 (October/September) Honduran coffee crop has been excellent. However, rust damage alone may more than cancel out the positive influence this may have, and the effect of other factors, such as credit availability, fertilization levels and precipitation are still unknown. Thus, a harvest of 1.2 million bags is predicted for 1982/83, down 30,000 bags from 1981/82.

The area in coffee is expected to peak at about its current 133,000-hectare level and then decline. The decline should be roughly offset by increased yields, keeping production around present levels.

Green coffee exports from Honduras for October 1981-March 1982 totaled 478,310 bags against the current annual quota of 960,000 bags. Through March, only 575 bags had been sold to ICO non-members. After two quarters in 1980/81, 23,775 bags had been sold to non-members. In an effort to increase their sales to non-members, exporters have asked that the export tax waiver for these countries be increased from 40 to 50 percent. Through April 28, 1981/82 coffee sales have returned an average f.o.b. price of \$1.20 per pound. Current non-ICO prices are in the \$0.65-\$0.70 range.

Hondurans are expected to consume about 120,000 bags of coffee during coffee year 1981/82. The Honduran Coffee Institute purchases about 8 percent of the Honduran crop, which it exchanges with exporters for non-exportable quality coffee to be sold on the domestic market.

Mexico's 1982/83 (October/September) coffee crop is forecast at 3.9 million bags, unchanged from the revised estimate for 1981/82. The March eruption of El Chechonal volcano reportedly caused extensive damage only within a 15-kilometer radius of the volcano. Production for the new year may be down by 100,000 bags in the region, but this will be offset by increased output from other regions.

Of the 10,000 hectares affected by the eruption, 4,000 hectares were permanently damaged. Replacement plantings, which will take 3-5 years to begin producing, will probably benefit from the nutritional value of the volcanic dust. Coffee rust caused only negligible damage to the 1981/82 crop and should not affect 1982/83 outturn significantly. Rainfall in the principal growing regions, especially Veracruz, was good to excellent during February-April 1982 and flowering for the 1982/83 crop was proceeding well.

Coffee exports for the current year are now expected to reach just under 2 million bags, assuming Mexico fills its ICO export quota. During the second quarter of the coffee year (January-March 1982), Mexico did not fill about 100,000 bags of its export quota because of declining international prices, but these shipments can be made up during the third and fourth quarters. Mexico is attempting to take advantage of increased U.S. consumption of decaf-feinated coffee by increasing its production and export of that product. The United States is the principal market for Mexican coffee beans, taking 1.44 million bags, or 73.1 percent of calendar 1981 exports.

Coffee consumption in Mexico is expected to go up about 100,000 bags between 1981/82 and 1982/83 as the government encourages usage rather than exports at current prices.

Around 90 percent of Mexican coffee for domestic consumption is processed with a 30 percent sugar content for cost and taste reasons. The Mexican Coffee Institute (INMECAFE) is considering a program to increase coffee consumption by decreasing the sugar content. In addition, it is attempting to improve the average quality of coffee consumed by restaurants and other institutions.

Mounting stock levels continue to pose a serious problem for the government. The coffee industry has indicated it would establish and maintain a coffee buffer stock if the government would reduce significantly, or eliminate, all coffee export taxes. In an alternate proposal, the industry would pay a nominal fee per quintal of coffee exported in order to defray stock handling costs.

The outlook for Nicaragua's 1982/83 (October/September) coffee crop is favorable based on a good rainy season and the entry into production of young trees from the high-density replantings in the Carazo area near Managua. A harvest of about 1.025 million bags is forecast for the year, up 75,000 bags from 1981/82.

Coffee farms rehabilitated from rust in Carazo have been returned to their owners. Under a controversial control program, all of the coffee trees on 132 farms were destroyed and replaced. A recent outbreak of rust has been announced in the Tinotega area. Apparently, officials will attempt to control the new outbreak through traditional measures and are not proposing a complete eradication program such as was undertaken in Carazo.

Exports for 1981/82 are expected to reach 850,000 bags if anticipated shipments to non-ICO member countries materialize. According to Empresa Nicaraguense de Cafe (ENCAFE), coffee exports for the first 6 months of 1981/82 (October/March) totaled 376,399 bags, compared with 460,087 bags for the same period of the previous year. Exports to ICO member countries dropped from 359,782 bags to 309,166 bags, while exports to non-ICO member countries fell to 58,223 bags from 100,339 bags.

Based on current production and export assumptions, ending stocks would grow from 142,000 bags at the end of 1981/82 to 221,000 bags at the end of 1982/83.

The 1982/83 (October/September) green coffee crop in Panama is forecast to be a record 135,000 bags, up 20,000 bags from 1981/82. The increase is mainly attributed to area expansion, increased tree density in the major producing areas and expected above-average yields. Cropland devoted to coffee plantings in 1981/82 is estimated at 28,700 hectares with a total of 23.7 million coffee trees.

Coffee consumption in Panama, which was increasing at the rate of 2-3 percent until 1981/82, appears to have stagnated at about 70,000 bags as consumers have devoted more of their incomes to fuel and basic foodstuffs. The United States and West Germany are Panama's principal exports markets, taking about 85 percent of the total during 1980 and 1981.

The 1982/83 to Hawaiian coffee crop is forecast to be well below the 1981/82 harvest due to the cool and wet weather during the flowering period and the normal reduction after a large crop. Grower returns should equal last year's \$2.00 per pound based on processor commitments with mainland and Japanese firms.

## South America

South America's 1982/83 coffee crop is estimated at 35.0 million bags, down 32 percent from the revised estimate for 1981/82. Exportable production will be down 40 percent, or 15.7 million bags. This significant decline represents a frost-reduced output of only 17.75 million bags for Brazil, the smallest crop since 1977/78. Coffee production in Colombia, the world's second largest producer after Brazil, is expected to total 13.5 million bags, down 4 percent from 1981/82 due in large part to lower yields caused by reduced fertilizer usage. Ecuador's 1982/83 crop is also expected to be off due to the effects of drought in key producing areas.

Based on field observations, which indicate the favorable effect of good weather and tree management, the production estimate for the 1982/83 (July/June) Brazilian coffee crop was raised from the range of 16-18 million bags predicted in January to 17-18.5 million in April. A comparison of the results of the January and April observations, by principal producing states, is as follows in millions of 60-kilogram bags:

<u>State</u>	<u>January 1982</u>	<u>April 1982</u>
Parana	2.5-3.0	3.2-3.5
Sao Paulo	4.0-4.5	4.5-4.8
Minas Gerais	4.5-5.0	4.3-4.7
Espirito Santo	3.5-4.0	3.5-4.0
Other States	1.5	1.5
Total	16.0-18.0	17.0-18.5

At 17.75 million bags--the mid-point of the April range--production would be down 46.2 percent, or 15.25 million, from the 1981/82 outturn. Exportable production in 1982/83 is estimated at 9.75 million bags, compared with 24.5 million in 1981/82. Although it was too early to forecast accurately the volume of the 1983 (1983/84) crop, recovery of the coffee trees from last year's frost damage in the three major coffee states was very satisfactory and production prospects are accordingly good. However, it is the weather conditions during the 1982 winter season (June-August) that will largely determine prospects for the 1983 crop.

On the basis of data obtained from growers' cooperatives, exporters and field observations, Brazil's area and tree population are estimated as follows in millions:

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>
Bearing trees	2,800	3,150	3,400
Non-bearing	650	450	300
Total	3,450	3,600	3,700
Area Planted (Ha.)	3,020	3,145	3,225

After the July 1981 frost, 80 million coffee trees killed or severely damaged were eradicated, including 65 million in Parana and 15 million in Sao Paulo. About 180 million young coffee trees planted 2-3 years ago will come into production during 1983 at significant levels.

According to the Minister of Industry and Commerce, 3.5 billion coffee trees producing 30 million bags a year should be adequate to meet domestic and foreign demand. Brazil fully intends to regain and maintain its traditional share of the world coffee market.

The IBC support price for coffee is adjusted quarterly in line with the official devaluation of the Brazilian currency. The support price in effect since April 1, 1982, is 15,300 cruzeiros per bag. Grower prices in the interior are often 1,000-2,000 cruzeiros below that level. (As of April 1, US \$1=158 Cr.)

Brazil's industrial capacity for the production of soluble coffee is estimated at 83,300 tons a year, distributed among 11 companies, 3 of which are equipped to produce freeze-dried soluble coffee. Soluble coffee production during January 1980-December 1981 totaled 107,000 tons, 36 percent below capacity.

USDA believes domestic consumption was at least 8.5 million bags during the 1981/82 marketing year. Because of the recent freeing of consumer prices, and their subsequent sharp rise, consumption of coffee in Brazil may temporarily fall, in relative terms, to the 8.0 million-bag level.

According to preliminary data, Brazil's exports of green coffee (including the green equivalent of manufactured coffee) will total about 17.0 million bags for the 12 months ending June 30, 1982. Total exports to ICO non-member countries during the 1981/82 ICO marketing year are projected between 1.5 and 1.7 million bags.

Foreign exchange earnings from calendar 1981 coffee exports were \$1.76 billion, or 7.6 percent of total foreign exchange earnings of \$23.29 billion, down substantially from the \$2.77 billion, or 13.8 percent, during 1980.

Ending coffee stocks on June 30, 1982, were estimated at 13.68 million bags, held about equally between the IBC and the private trade. Supplies from the frost-reduced 1982/83 crop will still be sufficient to meet export and domestic demand for the year; however, ending stocks on June 30, 1983, would fall to a critically low 6.4 million bags. A major frost in the coffee producing areas during the 1982 winter season would create serious coffee supply problems for Brazil during the 1983/84 coffee marketing year.

The first production forecast for the forthcoming Colombian coffee crop (Oct. 1, 1982-Sept. 30, 1983) is placed at 13.5 million bags, and is based primarily on government policy of stabilizing production between 13 and 14 million. Lower yields per hectare will also hold production within this range as fertilizer use has declined from 188,574 tons in 1980 to 158,442 tons in 1981. An economic evaluation of the costs of producing coffee under partial shade using less fertilizer is underway.

Colombia's 1981/82 crop is still estimated at around 14.0 million bags, up 3.7 percent, or 500,000 bags, from 1980/81. No weather or disease-related problems have been reported and the area in coffee has remained essentially unchanged at 1.01 million hectares since 1980. Heavy rains during March-April 1982 did not affect the coffee trees, but did make drying coffee more difficult and the rudimentary farm-to-market roads less passable.

On March 11, 1982, the National Coffee Committee raised the official price to growers by about 7 percent. Growers were hoping for a much larger adjustment just to cover inflation and the peso's devaluation against the dollar. The new buying price is only an approximation of the amount paid by private buyers in producing regions, whereas it is the actual price paid growers by the Coffee Growers Federation (CGF) for coffee meeting their minimum quality and moisture standards.

Growth in consumption of coffee by the domestic market, estimated at 1.85 million bags in 1981/82, has been sluggish. Since October 1980, the CGF has provided the domestic market with lower quality, beans, semi-roasted to prevent their being exported, at 37.50 pesos per/kilogram. Retail prices have also remained unchanged since that date.

Exports of green coffee for the first 6 months of the 1981/82 marketing year amounted to 4.45 million bags, 1.8 percent less than a year earlier. Between these 2 6-month periods, sales to the United States declined from 26.5 to 18.9 percent of total sales, while sales to European countries increased from 65.3 to 72.6 percent. Although shipments to ICO members were 4.3 percent higher during 1981/82 at 4.2 million bags, exports to non-members were below expectations, having declined from 346,000 bags during the first half of 1980/81 to 251,000 bags for a similar period this year.

Exports of soluble coffee, including the bulk of CGF exports from the freeze-dry plant in Chinchina, amounted to 41,807 bags of coffee, green bean equivalent (GBE), 40 percent below last year.

In 1980/81, the bulk of coffee exports (74.4 percent) were made by the CGF. Through April 17, 1982 CGF exports accounted for only 55.5 percent of the export total, indicating the trend toward greater private participation.

Ending stocks are expected to reach an all time high of 9.2 million bags on September 30, 1982, and grow further by the end of the 1982/83 marketing year. The CGF's market intervention and storage activities have been partially financed by the issuance of coffee certificates carrying tax incentives.

Drought conditions are expected to reduce Ecuador's 1982/83 (April/March) coffee crop to 1.2 million bags, 29 percent below the 1.7 million 1981/82 harvest. Yield losses in some of the main producing areas could reach 50 percent. The smaller harvest should partially release the pressure of stocks held over from the previous year.

Some new Robusta coffee plantings continue to occur in Napo Province in the Oriente region (Amazon basin). In other regions, the area planted remains largely unchanged.

Coffee rust and coffee "broca" insect damage were identified in the Amazon Basin border area with Peru in mid-1981. To prevent its spread to other coffee areas, the Ministry of Agriculture now requires the fumigation of all vegetative products and materials coming from and/or moving through the area.

Domestic prices continue to be based on world price levels, although actual prices paid to growers are now 10-15 percent lower than the official prices published by the National Coffee Program (PDC).

Ecuador's capacity to roast coffee has been raised by 1,800 tons per year by the opening of Colcafe's new plant. Soluble processing capacity totals about 6,500 tons. Domestic consumption takes about 230,000 bags of Ecuador's production, leaving the balance available for export.

Coffee exports during the first two quarters of coffee year 1981/82 were up 7.6 percent, while export values declined 4.6 percent from 1980/81. ICO quotas are fixed by exporting sector (commercial, industrial or agricultural), and by individual exporter. Grower organizations have tried to increase their participation in order to increase member profits. Companies or organizations that export to ICO non-members receive additional stamps for shipments to member countries. Some sales have reportedly been made as a result of the incentive program. The United States remains the principal market, taking 70-75 percent of bean exports and 55-60 percent of processed coffee exports.

#### Africa

Africa's 1982/83 coffee crop is forecast at 20.2 million bags, virtually unchanged from the previous season. Improved prospects in several key countries, such as the Ivory Coast, Ethiopia and Cameroon were nearly offset by the reduced output expected in Tanzania, Zaire, Uganda and Madagascar.

Angolan production is estimated at 360,000 bags for crop year 1982/83 (April/March). The government has hired a consulting firm in an effort to revitalize the industry and increase output. The goal is to raise the production level to 1 million bags by 1985 and to 2 million eventually.

The 1982/83 (April/March) coffee production estimate for Burundi is around 500,000 bags, which would make this their second largest harvest. Last year's record production of 675,000 bags left Burundi with about 140,000 bags in stock at the end of the 1981/82 crop year. Year-end stocks on March 31, 1983, may be even higher at 240,000 bags as sales to ICO-non members are unlikely to add more than 50,000 bags to sales to quota markets.

Coffee production in Cameroon for 1982/83 is forecast at 1.75 million bags, 15 percent higher than the revised 1981/82 estimate, mainly because of the biennial bearing pattern of coffee trees. Also, weather conditions are expected to be more favorable and the fertilizer supply will be increased.

Cameroon produces both Robusta and Arabica type coffees, with Robusta accounting for about three-fourths of total output in recent years. The area planted to Robusta and Arabica coffees is currently estimated at 200,000 and 160,000 hectares, respectively. Per hectare yields from Robusta are more than double those from Arabica.

During the current 1981/82 marketing year, coffee exports are expected to total about 1.5 million bags, including 30,000 bags shipped to non-ICO members. If production and trade estimates are correct, carryover stocks on Sept. 30, 1983, could total about 1.4 million bags.

Coffee production in the Central African Republic in 1982/83 (October/September) is forecast at 260,000 bags, up slightly from 1981/82. These estimates do not include illegal border traffic, which may involve the movement of up to 50,000 bags to neighboring countries each year.

Ethiopia's 1982/83 (October/September) coffee harvest is forecast at 3.45 million bags, up slightly from the 3.33 million for 1981/82. Export sales into June 1982 reached nearly 1.2 million bags, indicating sales for 1981/82 should total at least 1.4 million. Sales to ICO member countries accounted for nearly 90 percent of the October 1981-June 1982 export total.

The Ethiopian government had promised the private sector a 35-percent share of export marketings in 1981/82, up from the 30-percent share realized during 1980/81. However, it now appears the private sector share will fall well below the promised level.

The portion of the 1982/83 Guinean coffee crop that will be marketed through official channels is estimated at 90,000 bags. Much of the country's coffee produced in the forest region by small farmers is sold over the border. The government is trying to encourage increased production for sale through official channels by establishing new lines of credit for individual farmers. Virtually all of the coffee purchased by the government is exported to China or East Bloc countries under existing bilateral clearing contracts.

Coffee production from an estimated 1.28 million hectares in the Ivory Coast during 1982/83 is forecast at 5.0 million bags, up 400,000 bags from 1981/82. Rainfall during the February-May 1982 flowering and developmental periods has been good and 1982/83 will be the up year in the biennial bearing cycle. Producer prices for coffee remained unchanged between 1980/81 and 1981/82 at 300 CFA per kilogram (300 CFA=1 US\$) for green coffee and 150 CFA per kilogram for cherries.

Green coffee exports during calendar 1981 reached 4.1 million bags. In addition, the country's only soluble processor, with a 5,300-ton annual capacity, had an output of about 5,000 tons, of which only about 500 tons were consumed domestically. The main markets for the country's green coffee are France, the United States, and Italy, while soluble exports go to neighboring African countries and Europe, especially Senegal, Nigeria and Greece. Shipments to traditional markets were augmented by Eastern Bloc sales of about 150,000 bags during 1981.

If, as expected, 1982/83 crop export sales do not quite match production, carryover stocks, already in excess of 3.6 million bags, could grow. The Caisse de Stabilisation pays for storing coffee for only 18 months, after which interest rates of up to 22 percent accrue for the private exporters carrying these stocks.

The Coffee Board of Kenya has provisionally forecast the 1982/83 (October/-September) coffee crop at 1.83 million bags, up 100,000 and 170,000 bags, respectively, from the 2 preceding years, as trees planted 3 years ago under government programs have begun to bear. Bean yields and quality were lower in 1981/82 than in 1980/81 due to the failure of the "short" rains, which should have fallen between October 1980 and March 1981. The 1982 "long" rains, while later than normal, should not adversely affect 1982/83 main crop flowering.

Of major concern to the Board are the larger stocks that have accumulated since the introduction of ICO quotas in 1980/81. If these are not moved, they will lead to delays in the payments to small-scale growers who are already disenchanted with the low prices they are receiving for their coffee.

Kenya's 1981/82 exports of coffee are forecast at 1,675,000 bags, 39 percent above 1980/81. Much of the increase will occur as lower quality coffee to non-quota markets. While quota sales between October 1, 1981, and April 20, 1982, at 630,000 bags, were down 6 percent from the corresponding period the previous year, sales to non-quota markets were up more than five fold to 294,000 bags.

The World Bank's Small Farmer Coffee Improvement Program is now in its third phase of implementation, with major emphasis on mill construction and rehabilitation, improved input availability, and advisory services. The program also involves the renovation of existing trees and the planting of new areas. The implementing agencies, including the Ministry of Agriculture, Ministry of Cooperative Development and the Cooperative Bank, have noted that grower interest in these programs is fading as uncertainty about the future coffee market grows.

Heavy pre-season rains, combined with a serious lack of production inputs and an off-cycle year, will drop Tanzania's 1982/83 (July/June) coffee harvest to 900,000 bags. The 1981/82 crop was nearly 10 percent below expectations--at 1.01 million bags--due to the weather in the major growing areas of the north from January through mid-April 1982.

Crop profitability may have improved marginally over the past year because of the devaluation of Tanzania's currency and the removal of the export tax. Some increase to the producer was necessary in order to prevent the uprooting of coffee trees in favor of food crops. There are indications the government will try to revive Tanzania's coffee cooperatives, the oldest among the cooperative system, in a further effort to strengthen coffee production.

Processing, transport and storage continue to pose major problems for the Tanzanian government. At the present time, there are no processing facilities in the southern producing areas. Until such a facility is built, coffee must be trucked to Moshi for processing. Transport of the 1982/83 crop will be handicapped over the next 6-8 months because the major drought in northern and central Tanzania will place a heavy strain on the overworked transportation system to meet both export crop (coffee, tea, cotton etc.) requirements and massive feeding operations. Storage facilities are regarded as barely adequate to meet existing requirements. Lack of funding has prevented improvement in any of these areas.

In view of the large carryover stocks and near-record production, the government has pushed hard to increase its exports during crop year 1981/82 to about 1 million bags; however, actual exports will probably be limited to about 865,000 bags. Of this total, about 155,000 bags will go to ICO non-member markets.

Inadequate rainfall during the flowering period is expected to reduce Togo's 1981/82 (October/September) harvest to about 135,000 bags. As of May 12, only about 70,000 bags had been marketed. If rains are more favorable, the 1982/83 harvest should rebound to the 175,000-bag level.

Practically all of Togo's coffee is produced from trees planted under a World Bank/France financed coffee replanting program begun in 1975. About 7,500 hectares of trees have been planted under the program since its inception. Plans call for an additional 1,500 hectares to be planted each year through 1985.

Although the Government of Uganda hopes to reduce its dependence on coffee in favor of other crops, coffee still accounts for over 95 percent of the country's foreign exchange earnings. There have been no new plantings since the 1970's but most of the trees, which produced a 4 million bag crop at that time, still exist. While yields are low, they could be increased through improved tree care and maintenance. Apparently, the proper incentives do not exist, as output is now expected to decline from 2.4 million bags during 1981/82 (October/September) to 2.1 million for 1982/83.

The level of coffee stocks held in the rural areas by producers and primary cooperative societies are unknown, but the amounts could be substantial. Off-farm movements have been slowed by the deteriorated condition of trucks and processing plants. Uganda is receiving some help from the World Bank and the European Community toward redeveloping its infrastructure, including the renovation of coffee processing plants.,

If the amount can physically be moved from Ugandan warehouses to the ports in Kenya and Tanzania, coffee marketings during 1981/82 could total 2.5 million bags, up from 2.0 million for the past year. The United States is the primary market for Ugandan coffee, taking up to 75 percent in recent years.

#### Asia and Oceania

Production of coffee in Asia and Oceania is expected to reach a record 10.1 million bags during 1982/83, compared with 10.0 million produced in 1981/82. Exportable production will be down 25,000 bags to 7.0 million bags.

Because of extremely dry weather in the coffee growing areas of the south and the cyclical nature of the crop, India's 1982/83 (October/September) coffee crop is expected to total only 2.2 million bags, 300,000 bags below the current year's harvest of 2.5 million. The 1981/82 harvest will include about 1.28 million bags of Arabica and 1.22 million of Robusta coffee.

Planted area under coffee will continue to rise, reaching 223,000 hectares in 1982/83, up from 206,000 hectares in 1980/81 and 214,400 hectares for the current year. Average yields are rising as newer, more disease-resistant varieties begin to bear. Over 93 percent of India's coffee is grown on estates of less than 4 hectares.

Coffee exports during 1981/82 are projected at 1.5 million bags, against 1.4 million last season. Shipments during the first 6 months totaled about 500,000 bags, valued at \$69.2 million. Despite the expectation of the smaller harvest, a higher export target of 1.67 million bags has been set for 1982/83. This would be possible through a drawdown on stocks, but exports are more likely to remain essentially unchanged from the 1981/82 level.

The Coffee Board is helping soluble mills expand their production beyond the current 2,500-3,000-ton level in order to meet greater demand at home and abroad.

Domestic consumption of coffee in India is expected to rise by about 15,000 bags between 1981/82 and 1982/83 to 940,000 bags, partly as the result of promotional efforts by the Board.

For 1982/83 (April/March), Indonesia's coffee production is estimated at 5.4 million bags, 4.6 percent above the current estimate for 1981/82. The full potential of the new plantings in the late 1970's has not yet been achieved, and if farm prices remain above harvesting and farm processing costs, output will continue to increase over the next few years. Coffee is a smallholder crop grown in remote sections of the country, for which there are few, if any, short-term crop alternatives. With regard to the 1982/83 crop, weather conditions have been less than ideal. Rainfall, which was especially heavy during the peak flowering period, has delayed crop progress.

While Indonesia is still mainly a Robusta producer (over 95 percent), considerable extension work has been undertaken, especially in South Sumatra, to introduce the cross-bred "Arabusta" variety.

In view of the large stock buildup anticipated, Indonesia has attempted to maximize exports to non-members. Exports to non-members have been stimulated by giving exporters an incentive premium of 3/4 ton of member country export quota stamps for each ton of coffee sold to non-members. Non-member sales are being negotiated at about 50 percent of the prevailing New York price for Robustas.

The Government of Indonesia's target for non-member sales during the 1982/83 quota year is 1.0 million bags. Progress has been good, with sales into May totaling 660,000 bags. If Indonesia can achieve this level of non-member sales, total exports during crop year 1982/83 will total about 3.3 million bags, 100,000 bags above the current estimate for 1981/82.

Even if Indonesia is able to meet its export goals, stocks are expected to rise from 1.4 million bags at the end of 1981/82 to more than 2.2 million at the end of 1982/83. These stocks are held by farmers, local merchants, exporters and speculators.

Despite prevailing low price levels and efforts to increase domestic use, any rapid increase in local consumption is prohibited by the continuing squeeze in real incomes and the strong preference for tea.

In the policy area, the Indonesian government believes the marketplace should determine the level of coffee production. Low prices put full pressure on the producers to maximize efficiency and keep production costs at a minimum. It should also have the effect of curtailing growth of new plantings.

Papua New Guinea's coffee production during the 1982/83 crop year (July/June) is now forecast at 950,000 bags, compared with the current estimate of 900,000 bags produced during 1981/82. The outlook is for continued expansion in output beyond 1982/83 as the PNG Development Bank continues to fund loans for new coffee projects in the highlands and in some coastal areas. The increase in output between 1980/81 and 1981/82 was somewhat less than anticipated, but could indicate some growers have withheld supplies from the market in the hope of getting better prices. About 70 percent of current production is by small farmers, and the remaining 30 percent by large plantations.

Grower and exporter prices during the past year were the lowest for several years, forcing a heavy draw on the Coffee Stabilization Fund to maintain grower cash flows. Unless prices improve significantly, the Fund could be exhausted by June 1983.

Increased production, coupled with a reduced ICO quota for 1981/82, forced the PNG Coffee Industry Board to buy substantial quantities of coffee. The Board has been able to find non-member markets for some of the surplus, although at prices up to 40 percent below those to quota markets.

During 1981, more than 200,000 bags were sold to non-member countries mainly in the Middle East, Eastern Europe and South East Asia. In order to pursue this trade to the best advantage the Coffee Industry Board has completed formation of a new company, Niugini Kopi.

The Coffee Industry Board has been actively promoting PNG coffee on the domestic market during the past year, and consumption is rising. Current domestic sales are estimated at about 16,250 bags per year, including the green equivalent of 4,150 bags of imported soluble coffee.

A supplement to this circular entitled Coffee Supply and Distribution in Producing Countries, 1961/62-1982/83 will be released August 13, 1982. Copies of the supplement can be obtained by writing to:

Foreign Agriculture Service  
Information Services Staff, Room 5918-S  
U.S. Department of Agriculture  
Washington, D.C. 20250

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TABLE 1 COFFEE, GREEN: TOTAL PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1973/74-1977/78, ANNUAL 1978/79-1982/83 1/ (IN THOUSANDS OF 60 KILO BAGS) 2/

REGION AND COUNTRY	AVERAGE 1973/74-1977/78	1978/79	1979/80	1980/81	1981/82	1982/83
<b>NORTH AMERICA:</b>						
COSTA RICA.....	1,405	1,749	1,522	2,023	1,875	2,202
CUBA.....	400	223	372	344	383	359
DOMINICAN REPUBLIC.....	913	695	1,009	1,112	700	950
EL SALVADOR.....	2,722	3,423	3,322	2,690	2,380	2,400
GUATEMALA.....	2,307	2,827	2,647	2,702	2,700	2,600
HAITI.....	550	443	669	455	525	460
HONDURAS.....	849	1,132	1,137	1,265	1,230	1,200
JAMAICA.....	25	14	34	20	24	20
MEXICO.....	3,639	4,042	3,600	3,880	3,900	3,900
NICARAGUA.....	804	1,004	1,019	933	950	1,025
PANAMA.....	79	104	105	114	115	135
TRINIDAD-TOBAGO.....	48	39	37	46	41	50
US-HAWAII.....	13	10	13	9	14	11
US-PUERTO RICO.....	188	159	183	234	198	246
<b>TOTAL NORTH AMERICA.....</b>	<b>13,943</b>	<b>15,864</b>	<b>15,669</b>	<b>15,827</b>	<b>15,035</b>	<b>15,549</b>
<b>SOUTH AMERICA:</b>						
BOLIVIA.....	108	122	137	145	145	145
BRAZIL.....	18,320	20,000	22,000	21,500	33,000	17,750
COLUMBIA.....	9,130	12,600	12,712	13,500	14,000	13,500
ECUADOR .....	1,288	1,640	1,609	1,417	1,681	1,200
GUYANA.....	15	19	22	26	26	25
PARAGUAY.....	82	144	40	116	175	135
PERU.....	940	1,130	1,265	1,170	1,200	1,250
VENEZUELA.....	956	1,011	1,031	1,227	920	1,900
<b>TOTAL SOUTH AMERICA.....</b>	<b>30,840</b>	<b>36,666</b>	<b>38,816</b>	<b>39,101</b>	<b>51,147</b>	<b>35,305</b>
<b>AFRICA:</b>						
ANGOLA.....	1,954	613	260	586	439	360
BENIN.....	22	3	5	5	5	6
BURUNDI.....	352	387	466	333	675	500
CAMEROON.....	1,507	1,634	1,658	1,950	1,520	1,750
CENTRAL AFRICAN REPUBLIC.....	161	130	230	215	250	260
CONGO.....	25	107	43	35	65	42
EQUATORIAL GUINEA.....	95	90	100	100	110	110
ETHIOPIA.....	2,642	3,142	3,188	3,264	3,333	3,450
GABON.....	4	6	8	8	5	7
GHANA.....	59	31	35	27	53	50
GUINEA.....	31	59	48	62	74	90
IVORY COAST.....	4,422	4,742	3,973	6,040	4,600	5,000
KENYA.....	1,334	1,239	1,531	1,665	1,730	1,837
LIBERIA.....	105	144	171	147	179	163
MADAGASCAR.....	1,201	814	1,313	1,150	1,300	1,175
MALAWI.....	2	3	5	7	5	6
NIGERIA.....	49	60	40	52	52	52
RWANDA.....	452	311	501	506	502	500
SIERRA LEONE.....	95	230	172	157	179	170
TANZANIA.....	805	856	800	1,110	1,010	900
TDG.....	153	105	182	165	135	175
UGANDA.....	2,702	1,944	2,042	2,133	2,400	2,100
ZAIRE .....	1,300	1,300	1,331	1,541	1,500	1,400
ZIMBABWE.....	61	77	68	94	78	100
<b>TOTAL AFRICA.....</b>	<b>19,537</b>	<b>18,027</b>	<b>18,170</b>	<b>21,352</b>	<b>20,196</b>	<b>20,201</b>
<b>ASIA:</b>						
INDIA.....	1,690	1,842	2,495	2,000	2,500	2,200
INDONESIA.....	3,108	4,788	4,803	5,162	5,162	5,400
MALAYSIA.....	119	143	145	148	148	150
PHILIPPINES.....	507	600	705	769	871	900
PORTUGUESE TIMOR 3/.....	70	--	--	--	--	--
THAILAND.....	100	171	170	212	270	320
VIETNAM.....	60	70	70	70	60	60
YEMEN, ARAB REP.....	46	50	53	57	60	65
<b>TOTAL ASIA.....</b>	<b>5,700</b>	<b>7,664</b>	<b>8,441</b>	<b>8,418</b>	<b>9,071</b>	<b>9,095</b>
<b>OCEANIA:</b>						
NEW CALEDONIA.....	10	11	10	10	10	10
PAPUA NEW GUINEA.....	662	740	840	875	900	950
<b>TOTAL OCEANIA.....</b>	<b>672</b>	<b>751</b>	<b>850</b>	<b>885</b>	<b>910</b>	<b>960</b>
<b>WORLD TOTAL.....</b>	<b>70,692</b>	<b>78,972</b>	<b>81,946</b>	<b>85,583</b>	<b>96,359</b>	<b>80,810</b>

1/ Coffee marketing year begins about October in some countries and in April or July in others. 2/ 132.276 pounds. 3/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements.

SOURCE: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

TABLE 2 COFFEE, GREEN: EXPORTABLE PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1973/74-1977/78, ANNUAL 1978/79-1982/83 1/

(IN THOUSANDS OF 60 KILO BAGS) 2/

REGION AND COUNTRY	AVERAGE 1973/74-1977/78	1978/79	1979/80	1980/81	1981/82	1982/83
<b>NORTH AMERICA:</b>						
COSTA RICA.....	1,235	1,533	1,311	1,815	1,655	1,957
CUBA.....	--	--	--	--	--	--
DOMINICAN REPUBLIC.....	635	415	724	822	405	650
EL SALVADOR.....	2,541	3,228	3,122	2,490	2,180	2,200
GUATEMALA.....	2,917	2,517	2,332	2,381	2,375	2,265
HAITI.....	327	228	449	230	305	235
HONOURAS.....	747	1,024	1,023	1,148	1,110	1,076
JAMAICA.....	12	5	22	5	8	6
MEXICO.....	2,157	2,935	2,310	2,380	2,300	2,200
NICARAGUA.....	726	921	936	849	865	939
PANAMA.....	15	36	39	46	45	64
TRINIDAD-TOBAGO.....	35	24	21	24	23	32
US-HAWAII.....	--	--	--	--	--	--
US-PUERTO RICO.....	--	--	--	--	--	--
<b>TOTAL NORTH AMERICA.....</b>	<b>10,448</b>	<b>12,866</b>	<b>12,289</b>	<b>12,190</b>	<b>11,271</b>	<b>11,624</b>
<b>SOUTH AMERICA:</b>						
BOLIVIA.....	79	89	103	111	110	109
BRAZIL.....	10,820	12,000	14,000	13,500	24,500	9,750
COLOMBIA.....	7,672	10,970	10,962	11,675	12,150	11,645
ECUADOR .....	1,120	1,437	1,398	1,197	1,451	960
GUYANA.....	--	--	2	3	3	--
PARAGUAY.....	57	117	9	88	145	104
PERU.....	692	880	1,015	929	945	980
VENEZUELA.....	288	72	64	141	--	--
<b>TOTAL SOUTH AMERICA.....</b>	<b>20,729</b>	<b>25,565</b>	<b>27,553</b>	<b>27,644</b>	<b>39,304</b>	<b>23,548</b>
<b>AFRICA:</b>						
ANGOLA.....	1,890	568	220	545	397	317
BENIN.....	21	2	4	4	4	5
BURUNDI.....	349	384	463	330	672	497
CAMEROON.....	1,480	1,606	1,626	1,917	1,488	1,718
CENTRAL AFRICAN REPUBLIC.....	150	118	216	198	232	242
CONGO.....	24	106	42	34	64	41
EQUATORIAL GUINEA.....	85	80	90	99	100	109
ETHIOPIA.....	1,061	1,432	1,555	1,664	1,716	1,750
GABON.....	3	5	7	7	4	6
GHANA.....	46	23	27	23	46	44
GUINEA.....	25	53	42	56	68	84
IVORY COAST.....	3,960	4,677	3,908	5,976	4,535	4,932
KENYA.....	1,302	1,181	1,468	1,612	1,670	1,770
LIBERIA.....	99	138	165	141	173	157
MADAGASCAR.....	1,061	566	1,158	984	1,127	998
MALAWI.....	2	3	5	7	5	6
NIGERIA.....	--	--	--	--	--	--
RWANDA.....	451	369	499	504	500	498
SIERRA LEONE.....	90	225	167	152	174	165
TANZANIA.....	782	836	786	1,095	995	884
TOGO.....	152	104	181	164	134	174
UGANDA.....	2,670	1,905	2,001	2,090	2,355	2,054
ZAIRE .....	1,142	1,120	1,141	1,346	1,300	1,195
ZIMBABWE.....	53	69	59	85	69	91
<b>TOTAL AFRICA.....</b>	<b>16,900</b>	<b>15,610</b>	<b>15,830</b>	<b>19,024</b>	<b>17,828</b>	<b>17,728</b>
<b>ASIA:</b>						
INDIA.....	923	1,034	1,599	1,090	1,575	1,260
INDONESIA.....	2,109	3,738	3,723	4,062	3,962	4,150
MALAYSIA.....	12	--	--	--	--	--
PHILIPPINES.....	139	242	315	378	460	467
PORTUGUESE TIMOR 3/	60	--	--	--	--	--
THAILAND.....	7	61	57	94	143	184
VIETNAM.....	29	35	35	35	25	25
YEMEN, ARAB REP.....	36	40	43	47	55	55
<b>TOTAL ASIA.....</b>	<b>3,315</b>	<b>5,150</b>	<b>5,772</b>	<b>5,706</b>	<b>6,215</b>	<b>6,141</b>
<b>OCEANIA:</b>						
NEW CALEDONIA.....	1	--	--	--	--	--
PAPUA NEW GUINEA.....	649	725	824	859	884	933
<b>TOTAL OCEANIA.....</b>	<b>650</b>	<b>725</b>	<b>824</b>	<b>859</b>	<b>884</b>	<b>933</b>
<b>WORLD TOTAL.....</b>	<b>52,043</b>	<b>59,916</b>	<b>62,268</b>	<b>65,423</b>	<b>75,502</b>	<b>59,974</b>

1/ Coffee marketing year begins about October in some countries and April or July in others. Exportable production represents total harvested production minus estimated domestic consumption. 2/ 132,276 pounds. 3/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements.

SOURCE: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attachés and Foreign Service Officers, results of office research, and related information.

July 1982

Horticultural and Tropical Products Division, FAS/USDA

TABLE 3 WORLD COFFEE SUPPLY AND DISTRIBUTION, 1962-1983

COUNTRY BY TIME PERIOD	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL		DOMESTIC USE	EXPORTS		ENDING STOCKS	
				SUPPLY	DISTRIBUTN		BEANS	RSTD/GRND SOLUBLE	TOTAL	
<b>WORLD TOTAL</b>										
1962/63...	74,129	67,791	257	142,177	14,687	46,781	42	123	46,949	80,539
1963/64...	80,539	65,341	182	146,062	17,616	50,886	69	118	51,073	77,372
1964/65...	77,372	52,655	178	130,205	16,741	41,769	58	78	41,906	71,557
1965/66...	71,557	82,157	249	153,963	17,804	49,670	37	257	49,966	86,190
1966/67...	86,190	63,387	279	149,856	19,251	48,328	26	564	48,919	81,686
1967/68...	81,686	71,145	273	153,104	18,072	54,723	55	741	55,520	79,516
1968/69...	79,516	63,289	229	143,034	19,638	52,946	76	963	53,586	69,810
1969/70...	69,810	69,628	267	139,705	18,891	53,865	83	1,161	55,108	65,707
1970/71...	65,707	59,429	505	125,641	19,372	50,554	112	1,253	51,920	54,351
1971/72...	54,351	73,315	524	128,190	19,052	56,650	249	1,589	58,488	50,648
1972/73...	50,648	77,270	498	128,416	17,458	59,079	346	2,045	61,471	49,492
1973/74...	49,492	65,885	563	115,940	19,117	58,349	192	2,149	60,689	36,133
1974/75...	36,133	82,780	564	119,477	19,225	53,928	235	1,985	55,518	44,733
1975/76...	44,733	72,938	525	118,196	18,903	57,365	371	2,164	59,903	39,393
1976/77...	39,393	60,864	580	100,837	18,126	54,457	351	2,224	56,984	25,727
1977/78...	25,727	70,995	601	97,323	18,909	47,791	185	894	48,869	29,545
1978/79...	29,545	78,972	713	109,230	19,504	62,001	225	2,430	64,655	25,071
1979/80...	25,071	81,946	717	107,734	20,010	59,034	224	2,556	61,812	25,912
1980/81...	25,912	85,583	669	112,164	20,482	56,667	164	2,871	59,705	31,977
1981/82...	31,977	96,359	703	129,039	21,386	59,658	191	3,070	62,910	44,743
1982/83...	44,743	80,810	691	126,244	21,185	60,091	182	3,080	63,353	41,706

NOTE: TOTAL MAY NOT ADD BECAUSE OF ROUNDING, -- DENOTES UNAVAILABLE, NEGLIGIBLE, OR ZERO

TABLE 4

**REVISED ANNUAL AND QUARTERLY QUOTAS OF EXPORTING MEMBERS  
ENTITLED TO A BASIC QUOTA  
(After Quota Cut Of May 25, 1982)  
COFFEE YEAR 1981/82**

(60 kilo bags)

Exporting Member	Revised annual quota	Quarterly quotas			
		Oct-Dec 1981	Jan-March 1982	April-June 1982	July-Sept 1982
		(1)	(2)	(3)	(4)
<b>TOTAL</b>	<b>55 678 000</b>	<b>14 001 460</b>	<b>14 305 513</b>	<b>13 185 513</b>	<b>14 185 514</b>
<b>A. Sub-total: Members entitled to a basic quota</b>	<b>52 878 000</b>	<b>13 359 167</b>	<b>13 586 277</b>	<b>12 466 277</b>	<b>13 466 179</b>
<b>Colombian Milds</b>	<b>10 593 738</b>	<b>2 698 965</b>	<b>2 728 678</b>	<b>2 437 416</b>	<b>2 728 679</b>
Colombia	8 438 981	2 149 998	2 173 667	1 941 648	2 173 668
Kenya	1 362 538	347 133	350 955	313 493	350 957
Tanzania	792 219	201 834	204 056	182 275	204 054
<b>Other Milds</b>	<b>12 823 251</b>	<b>3 263 030</b>	<b>3 298 990</b>	<b>2 962 241</b>	<b>3 298 990</b>
Costa Rica	1 278 840	325 810	329 397	294 237	329 396
Dominican Republic	575 000	142 572	144 143	144 143	144 142
Ecuador	1 103 656	281 179	284 273	253 929	284 275
El Salvador	2 262 788	576 490	582 837	520 624	582 837
Guatemala	1 833 588	467 143	472 286	421 874	472 285
Honduras	934 312	238 035	240 655	214 967	240 655
India	940 152	239 495	242 168	216 321	242 168
Mexico	1 857 919	473 342	478 553	427 472	478 552
Nicaragua	679 323	173 071	174 976	156 299	174 977
Papua New Guinea	593 678	151 251	152 916	136 594	152 917
Peru	763 995	194 642	196 786	175 781	196 786
<b>Unwashed Arabicas</b>	<b>16 765 214</b>	<b>4 165 605</b>	<b>4 211 465</b>	<b>4 176 679</b>	<b>4 211 465</b>
Brazil	15 500 000	3 843 267	3 885 578	3 885 578	3 885 577
Ethiopia	1 265 214	322 338	325 887	291 101	325 888
<b>Robustas</b>	<b>12 695 797</b>	<b>3 231 567</b>	<b>3 347 144</b>	<b>2 889 941</b>	<b>3 227 145</b>
Angola	431 000	106 867	188 044	68 044	68 045
Indonesia	2 238 457	570 291	576 569	515 026	576 571
OAMCAF	(6 326 073)	(1 611 693)	(1 629 436)	(1 455 509)	(1 629 435)
Cameroon	1 459 863	371 929	376 024	335 887	376 023
Ivory Coast	4 087 616	1 041 402	1 052 866	940 482	1 052 866
Madagascar	778 594	198 362	200 546	179 140	200 546
Uganda	2 532 376	645 173	652 276	582 652	652 275
Zaire	1 167 891	297 543	300 819	268 710	300 819
<b>B. Sub-total: Members exempt from basic quota</b>	<b>2 800 000</b>	<b>642 293</b>	<b>719 236</b>	<b>719 236</b>	<b>719 235</b>
OAMCAF	662 000	247 797	138 068	138 068	138 067
Others	2 138 000	394 496	581 168	581 168	581 168

1/ Benin, Congo, Gabon, Central African Republic and Togo.

2/ Bolivia, Burundi, Guinea, Haiti, Liberia, Paraguay, Philippines, Rwanda, Sierra Leone, Venezuela, Ghana, Jamaica, Malawi, Nigeria, Panama, Sri Lanka, Thailand, Trinidad and Tobago, and Zimbabwe.

SOURCE : International Coffee Organization

JULY 1982

Horticultural and Tropical Products Division

TABLE--1982 ICO COMPOSITE INDICATOR PRICE (1979 AGREEMENT)  
(U.S. CENTS PER POUND EQUIVALENT)

Date	Daily			15-Day Moving Average									
	Jan.	Feb.	Mar.	Apr.	May	June	Jan.	Feb.	Mar.	Apr.	May	June	:
1.....	---	129.04	133.35	124.45	---	---	120.96	---	124.50	135.45	124.99	---	119.79
2.....	---	129.02	134.04	125.05	---	---	121.50	---	124.86	135.59	124.37	---	119.78
3.....	---	129.79	134.46	---	124.23	121.64	---	125.29	135.66	---	123.24	123.24	119.80
4.....	125.19	132.21	134.91	---	123.15	122.43	123.14	125.89	135.50	---	123.14	119.84	---
5.....	125.83	132.22	135.12	126.00	122.71	---	123.43	126.59	135.35	123.93	123.05	123.05	119.84
6.....	125.69	---	---	125.75	121.76	---	123.64	---	---	123.69	122.89	122.89	119.84
7.....	124.89	---	---	126.28	121.49	123.17	123.73	---	---	123.72	122.71	122.71	119.98
8.....	123.95	131.89	137.04	126.26	---	123.52	123.76	127.21	135.33	123.91	---	123.91	120.20
9.....	---	133.37	136.95	---	---	122.35	---	127.91	135.23	---	---	135.23	120.47
10....	---	137.33	136.31	---	121.93	122.15	---	128.85	135.09	---	122.76	122.76	120.76
11....	124.50	137.42	134.55	---	121.66	122.65	123.85	129.79	134.87	---	122.83	122.83	121.18
12....	123.70	137.40	134.31	126.09	121.38	---	123.90	130.73	134.79	124.07	122.77	122.77	120.47
13....	123.31	---	---	124.74	121.87	---	123.93	---	---	124.03	122.75	122.75	120.76
14....	123.21	---	---	123.96	121.05	120.72	124.00	---	---	123.86	122.65	122.65	121.43
15....	122.73	---	132.63	124.17	---	120.41	124.00	---	---	134.67	123.90	123.90	121.63
16....	---	138.44	129.46	124.21	---	120.40	---	131.73	134.34	124.12	---	124.12	121.77
17....	---	138.39	125.83	---	120.14	120.46	---	132.65	133.77	---	122.40	122.40	121.79
18....	122.52	137.80	123.37	---	118.39	120.54	123.96	133.37	133.04	---	122.06	122.06	121.70
19....	122.83	135.55	123.60	121.23	117.77	---	123.95	133.96	132.40	124.13	121.70	121.70	121.77
20....	123.30	---	---	120.51	116.34	---	123.95	---	---	124.15	121.21	121.21	121.77
21....	123.24	---	---	122.32	116.92	120.11	123.93	---	---	124.18	120.72	120.72	121.53
22....	123.41	134.47	125.40	122.40	---	119.69	123.89	134.36	131.87	124.23	---	124.23	121.45
23....	---	134.28	126.48	122.41	---	120.00	---	134.69	131.36	124.09	---	124.09	121.35
24....	---	134.37	123.61	---	117.49	120.72	---	135.02	130.64	---	120.27	120.27	121.29
25....	123.35	134.36	120.89	---	118.31	119.83	123.76	135.31	129.70	---	119.95	119.95	121.11
26....	124.69	133.30	121.15	123.85	120.08	---	123.69	135.37	128.77	124.01	119.77	119.77	120.70
27....	126.91	---	---	123.53	122.01	---	123.77	---	---	123.85	119.79	119.79	120.63
28....	126.75	---	---	123.03	122.54	119.83	123.89	---	---	123.67	119.86	119.86	120.89
29....	128.53	---	120.17	123.79	---	120.62	124.20	---	127.65	123.50	---	123.50	120.70
30....	---	---	121.88	124.25	---	121.27	---	---	126.64	123.37	---	123.37	120.63
31....	---	---	121.65	---	---	---	---	---	125.67	---	---	125.67	120.87
Ave....	124.43	134.24	129.01	124.01	120.56	121.14	123.82	130.43	123.76	123.99	121.83	121.83	120.87

NOTE: Dashes denote weekends and holidays.



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